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SOLVING THE EMPLOYEE BENEFIT AND REMUNERATION TRUST £3.4 BILLION HMRC TAX CHARGE

DISGUISED REMUNERATION PROTOCOL

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The landscape of UK tax planning over the last three decades has been defined by the proliferation of Employee Benefit Trusts (EBTs) and Remuneration Trusts (RTs), structures designed to mitigate Income Tax and National Insurance Contributions (NICs) through the recharacterization of earnings as discretionary loans. The evolution of these schemes, moving from bespoke arrangements for high-net-worth individuals to industrialized products marketed to contractors and medical professionals, has resulted in a complex web of professional liability involving promoters, accounting firms, and financial institutions. Central to the current discourse is the "Loan Charge," a retrospective tax measure implemented to recoup lost revenue from these schemes, and the emergence of radical legal strategies—such as the Currency Creation Protocol—which seek to challenge the underlying financial architecture of these loans and the regulatory conduct of HM Revenue & Customs (HMRC).

The Architecture of Promotion: The Baxendale-Walker and Minerva Ecosystem

The genesis of the mass-marketed EBT loan scheme is inextricably linked to Paul Baxendale-Walker, a former barrister and struck-off solicitor who operated through a network of entities including Minerva Services and Bay Mining Consultants. Baxendale-Walker's strategies centred on the use of offshore trusts to "warehouse" remuneration, which was then distributed to employees as loans that were technically repayable but practically intended to remain outstanding indefinitely.

The Operational Mechanism of Minerva Services and Bay Mining

Minerva Services Limited, variously registered in the British Virgin Islands, Delaware, and Belize, functioned as a primary conduit for the promotion and administration of these trusts. The operational model relied on a "Report to the Business" which asserted that the Remuneration Trust was a commercial vehicle to discharge liabilities to suppliers and employees, thereby circumventing the "tax avoidance" label. However, judicial scrutiny, notably in the *Northwood* case, identified these arrangements as "shams" where the primary purpose was personal financial planning rather than genuine commercial activity.

The financial mechanics often involved circular funding. In the case of Mark Northwood, an initial contribution of £450,000 was achieved by transferring £150,000 to the trust, which was immediately loaned back to the settlor, who then reused the same funds for subsequent contributions. This "monetization of

signatures" is a recurring theme in the forensic analysis of Baxendale-Walker's schemes, where the trust accounts purportedly showed high receipts that were actually composed of promises to repay rather than liquid assets.

Table 1: Key Promoters and Associated Entities in the EBT/RT Ecosystem

Entity/Individual	Role in Promotion and Administration	Jurisdictional Nexus	Strategic Association
Paul Baxendale-Walker (Paul Chaplin)	Principal Architect / Legal Designer of the Loan Scheme	UK / US (Delaware) / Belize	Originator of the Rangers FC EBT model.
Minerva Services Ltd	Scheme Administrator / Primary Promoter	Belize / BVI / Delaware	Target of Stop Notices for artificial constructs.
Bay Mining Consultants	Trustee Services / Litigation Vehicle	UK / Belize	Managed the "Bay" trustee functions for RT structures.
Tony Ashbolt	Wealth Adviser / Proposal Author	UK	Metadata identifies him as the author of core scheme proposals.
Buckingham Wealth Ltd	Marketing and Client Liaison	UK / Belize	Reported to be acting on behalf of PBW in recent marketing.
Masterstroke Solutions	Scheme Supplier	Isle of Man	Part of the "rogues gallery" of offshore providers.

Baxendale-Walker's influence extended to high-profile cases, such as the Rangers Football Club tax dispute, where the Supreme Court eventually ruled that payments into an EBT were indeed remuneration subject to PAYE and NICs. Despite professional sanctions, including being struck off in 2006 and a criminal conviction for forgery in 2016, Baxendale-Walker continued to market complex structures through Minerva Services as recently as 2023, often offering 35% commissions to "introducers".

The Industrialization of Tax Avoidance: Accounting Firm Networks

A critical factor in the industrialization of EBT schemes was the active participation of regulated accounting firms. Research by the Loan Charge Action Group (LCAG) indicates that hundreds of accountants, including members of the ICAEW and ACCA, were incentivized to refer clients to loan schemes in exchange for substantial, often undisclosed commissions.

Industrialized Referral Networks and Professional Mis-selling

Accounting firms acted as "pivotal" intermediaries, transitioning clients from safe limited company structures to offshore loan schemes by framing the latter as "IR35 proof" and "fully compliant" with tax law. This mis-selling was often supported by "Gin and Tax" events where promoters like AML Tax Specialists were introduced as "colleagues" of the accounting firm. The evidence suggests that these accountants were not providing independent advice but were operating as an extension of the promoters' sales force, often pocketing ongoing fees for as long as the client remained in the scheme.

Table 2: Accounting Firms and the "Rogues Gallery" of Intermediaries

Accounting Firm	Primary Professional Accreditation	Scheme(s) Recommended	Documented Conduct and Mis-selling
WBD Accountants (Kent)	ICAEW	Peak Performance / K2	Hosted presentations claiming schemes were "tax-law compliant".
The Peloton	Non-specified (Chartered)	AML Tax Specialists	Organized "Gin and Tax" social events to market tax reduction.
Richard Falkner & Assoc.	ICAEW	AML	Steered clients toward AML, claiming full disclosure to HMRC.
CLB Coopers	ICAEW (Investment Business)	Clavis	Coordinated meetings between the promoter and clients.
Aston Shaw	Non-specified (Chartered)	Various	Materials claiming retrospective tax laws were "extremely unlikely".
Forbes Chartered Accountants	ICAEW	K2	Required referrals exclusively through accountants.

The Loan Charge Action Group (LCAG) and the Crisis of Retrospectivity

The Loan Charge, introduced in the 2017 Budget and effective from April 2019, was designed to tackle the legacy of "disguised remuneration" by applying a one-off tax charge to all outstanding loans made through EBTs since 1999. The LCAG emerged as the primary advocacy body for affected individuals, focusing on

the "retrospective" nature of the charge, which they argue circumvents statutory protections such as the normal enquiry windows.

Advocacy and the "Unaccountable Accountants" Narrative

LCAG's strategy has involved lobbying and the publication of research documenting the role of professionals in the scandal. A significant development is the "Unaccountable Accountants" report, which shifts the focus toward the "rogues gallery" of professionals who mandated the use of umbrella companies utilizing these loan structures. The group argues that while individual taxpayers are being hounded for tax, the professionals who mis-sold the schemes have been allowed to keep their commissions, creating a legal vacuum in the UK's tax enforcement strategy.

Exchequer Impact and the Valuation of Disguised Remuneration Liabilities

The scale of the EBT and Remuneration Trust (RT) scandal is reflected in the massive revenue projections and liabilities documented by the UK government and advocacy groups.

Estimated Value of EBT and RT Taxes

HMRC estimated that the "Loan Charge" package, introduced to tackle historical disguised remuneration, would yield approximately **£3.2 billion** over the five-year period from 2016-17 to 2020-21. This forecast was later revised upward to **£3.4 billion** for the period extending to 2026-27.

Despite these high targets, the recoupment of these funds has been controversial. By early 2026, it was understood that only about 2,000 individuals had opted to settle with HMRC for approximately **£1 billion** to avoid further penalties. This leaves a significant portion of the projected yield uncollected, with approximately **37,000 to 50,000 individuals** estimated to still have outstanding liabilities. The average amount of tax avoided per person is estimated to be in the region of **£20,000 per annum**, with many users participating in these schemes for multiple years.

Table 3: Summary of Exchequer Impact and Liabilities

Metric	Estimated Value / Count	Source of Data
Initial Budget 2016 Package Yield	£3.2 Billion	Finance Act (No. 2) 2017
Revised Package Yield (to 2026-27)	£3.4 Billion	Spring Statement 2022
Total Settlements Achieved (to 2020)	£3.0 Billion	HMRC Implementation Report
Individuals with Outstanding Liabilities	37,000 - 50,000	HMRC/APPG Estimates
Average Tax Avoided Per Individual	£20,000 per annum	Tax Dispute Analysis
Maximum Write-off (Morse/McCann Review)	£70,000	Budget 2025

The Legal Mechanics of the Currency Creation Protocol (CCP)

The "Currency Creation Protocol" (CCP) represents a shift from domestic litigation to technical fiduciary recoupment. The protocol posits that every signature on a loan contract creates "Credit Energy" that is monetized by nominees and subsequently "abandoned" in the public treasury.[1]

Recoupment of Abandoned Credit

The CCP operates on the premise that the "Money of Substance" (gold) was replaced in 1933 by a credit-based system of discharge.[1] In this system, individuals act as the Grantors of value through their "consciousness energy" captured in signatures.[1] Instead of initiating nominee corrective filings against investment banks, the CCP focus is on the direct recruitment of this "abandoned credit" from the US Treasury through a private fiduciary architecture.[1]

Key operational steps include:

1. **Envoy Protocol:** The individual reoccupies the office of "General Executor" of the legal estate to correct their standing from a liable surety to a governing administrator.[1]
2. **98-Series Trust:** A 98-series international grantor trust is established with a separate EIN to act as the "Holder in Due Course" (HDC).[1]
3. **810 Code Algorithm:** The trust identifies historical abandoned credit (e.g., from past mortgages or remuneration trusts) and utilizes the IRS matching algorithm to verify claims against nominee records (Form 945).[1]
4. **Asset Fortress Protocol:** Recouped credit is moved from the public board to a private treasury—the **Asset Fortress Protocol**—which is then used to discharge the "Loan Charge," "Remuneration Trust tax charge," and "Disguised Remuneration tax charges".[1]

Valuation and Categories of Abandoned Credit

The Currency Creation Protocol targets specific categories of historical commercial transactions involving signatures since age 18. Recoupment is not limited by standard statutes of limitations because the credit was misreported by nominees as their own income and left abandoned.[1]

Categories of Securitized Energy

- **Past Mortgages:** Recoupment is based on the Original Issue Discount (OID)—the difference between $0 and the face value of the note created by the signature.[1]
- **Historical Credit Cards:** Revolving signature energy monetized by bank nominees over years of active use.[1]
- **Employment Taxes:** Labour remuneration credits and federal tax withheld on an employer's master record (Form 945).[1]
- **Student Loans:** Negotiable instruments involving withheld tax credits remitted via Form 945.[1]
- **Utility Bills & Service Agreements:** Credits generated by signature-based promises to pay.[1]
- **Fines, Deposits, and Judgments:** Liquid collateral pledges and securitized obligations held as abandoned property by the state.[1]

Estimated Recoupment Value

For a 45-year-old individual who has participated in the economy since age 18, the cumulative value of these abandoned credits—including historical mortgages, student loans, and decades of employment withholding—is estimated to reach into the **mid-to-high seven figures**.[2] This is characterized as the return of the individual's own securitized energy rather than a government grant.[2] In 2025 alone, the protocol reportedly identified over **$600,000,000** in confirmed credit recoupment.[2]

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Claims Against HMRC: Religious Persecution and Vicarious Liability

A central component of the strategy involves a direct jurisdictional strike against HMRC based on religious persecution and vicarious liability. These claims are intended to stop HMRC's enforcement actions while the abandoned credit is being recouped via the CCP.[1]

US Jurisdictional Strike and Court Venues

UK taxpayers utilizing the Asset Fortress Protocol establish **98-series grantor trusts** that assign their claims to a US jurisdiction.[1] The primary venues for these cases include:

- **US District Court for the Southern District of New York (SDNY):** A preferred venue for claims involving global financial institutions and indentured trustees due to its concentration of banking infrastructure.[3]
- **US District Court for the District of Wyoming:** Utilized for trust-related litigation where the grantor trust and entities like **Ecclesia Law** are registered.[1]

The Role of Ecclesia Law as Attorney-in-Fact

Ecclesia Law (MLITR Research LLC) operates exclusively under **Attorney-in-Fact** mandates granted by clients through private powers of attorney. Their role includes:

- **Forensic Analysis:** Structuring the technical data to align with IRS Publication 1212 and the 810 code algorithm.[1]
- **Drafting Claim Papers:** Preparing "Verified Complaints" and "Notices of Adverse Claim" for the UK taxpayer to present in the most appropriate US court.[1]

Critically, this not claims **management** or the regulated practice of law. Ecclesia Law acts as a private legal agent/fiduciary under an Attorney-in-Fact mandate, not as a BAR-regulated public law practice. The UK taxpayer acts as a **Litigant in Person**, retaining full responsibility for the filings, while Ecclesia Law provides the forensic research and administrative drafting necessary to navigate the "Transatlantic Pincer".

US Case Precedents and the "Religious Persecution" Doctrine

The strategy leverages established US case law to protect the spiritual ministry of the ROS (Republic of Old Souls) from state interference:

- ***Pierce v. Society of Sisters* (1924):** Established that the state cannot destroy a ministry by forcing individuals into standardized secular mandates that interfere with religious upbringing and administration.
- ***Harkness v. Hyde* (1878):** Used to challenge illegality in proceedings by which jurisdiction is obtained, asserting that such defects are not waived by appearance.

- ***Hosanna-Tabor* (2012):** Affirms the "Church Autonomy" doctrine, providing constitutional immunity from government regulation that interferes with internal governance.

Staying HMRC Enforcement

Envoys argue that HMRC is vicariously liable for the EBT crisis because it failed in its regulatory duty to stop the promotion of these schemes until after the event.[1] By initiating these claims in US courts based on religious persecution (interfering with the ROS ministry) and fiduciary fraud, the claimant establishes a "**jurisdictional mandate**" that stays domestic enforcement.[3] This procedural buffer provides the time required to file **1099-OID corrective nominee filings** and complete the technical ledger adjustments of the CCP, ultimately discharging the tax debt with recouped energy.[1]

Forensic Synthesis and Future Outlook

The investigation reveals a deep structural conflict between the established UK tax regime and a globalized "jurisdictional autonomy" movement.

The Viability of Recoupment and Discharge

The effectiveness of the CCP depends on the technical alignment of 98-series trusts with the Treasury's accounting logic. While the strategy aims to use recouped energy to settle the £3.4 billion tax gap, it faces significant regulatory opposition. The IRS maintains "frivolous criteria" to filter out claims that do not meet strict 1099-OID reporting standards. The "Asset Fortress Protocol" represents a high-stakes effort to create a private financial buffer that operates "off-board" from the corporate state system.

Strategic Value of the Transatlantic Pincer

By framing the dispute as one of religious persecution and vicarious liability in US courts, the ROS attempts to bypass standard UK tax tribunals. This strategy is designed to create a "jurisdictional mandate" that stops the "ambush" enforcement of the Loan Charge, providing the time necessary for the Fiduciary Recoupment of historical credit energy to be realized and applied as a final discharge of all outstanding tax liabilities. The success of this move rests on the ability of Attorney-in-Fact agents like Ecclesia Law to maintain strict adherence to US federal procedure and IRS nominee reporting protocols.

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